

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

P2 Gold Inc. (the "Company")
1100 - 355 Burrard Street
Vancouver, BC V6E 0C3

Item 2 Date of Material Change

February 23, 2021

Item 3 News Release

A news release (the "News Release") announcing the material change was issued on February 23, 2021 through Globe Newswire. The new release was filed on SEDAR at www.sedar.com.

Item 4 Summary of Material Change

On February 23, 2021, the Company announced that it has entered into an agreement with Borealis Mining Company, LLC ("Waterton"), an indirect, wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP to acquire all of the assets that comprise the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada (the "Transaction").

The Company intends to complete a private placement of 32 million subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$16 million (the "Private Placement"). The net proceeds of the Private Placement will be used by P2 Gold to fund the acquisition of the Gabbs Project and, following the closing of the Transaction, exploration of the Gabbs Project and for general corporate purposes.

Item 5.1 Full Description of Material Change

See news release attached hereto as Schedule "A".

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No omitted information.

Item 8 Executive Officer

Joseph Ovsenek
President & CEO
Telephone: (604) 765-3424

Item 9 Date of Report

February 25, 2021

Schedule “A”



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February 23, 2021

News Release 21-02

P2 Gold Announces Acquisition of Gabbs Project, Nevada, Mineral Resource Estimate for Gabbs and Financing

Vancouver, British Columbia, February 23, 2021; P2 Gold Inc. (“P2” or the “Company”) (TSX-V:PGLD) reports that it has entered into an agreement with Borealis Mining Company, LLC (“Waterton”), an indirect, wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP to acquire all of the assets that comprise the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada (the “Transaction”). The closing of the Transaction remains subject to the satisfaction of customary closing conditions for a transaction of such nature, including acceptance by the TSX Venture Exchange (the “Exchange”) and the completion of the Private Placement (defined below). The Transaction will be an arm’s length transaction under Exchange policies.

Gabbs Project Description and Inferred Mineral Resource Estimate

The Gabbs Project is comprised of 355 unpatented lode mining claims and one patented lode mining claim covering four known zones of mineralization and comprising approximately 2,800 hectares. Nevada Highway 361, Gabbs Pole Line Road and a powerline cross the Gabbs Project. The gold-copper mineralization at three of the zones, Sullivan, Lucky Strike and Gold Ledge, is hosted within what are interpreted to be sills associated with an alkaline gold/copper porphyry. The gold mineralization at the fourth zone, Car Body, is interpreted to be low-sulphidation epithermal mineralization.

The Company retained P&E Mining Consultants Inc. (“P&E”) to prepare a Mineral Resource Estimate for the Gabbs Project based on 494 drill holes completed by prior project operators between 1970 and 2011. A National Instrument 43-101 Technical Report to be prepared by P&E with an effective date of February 3, 2021, will be posted on www.p2gold.com and the Company's profile on www.SEDAR.com within 45 days of the date of this news release.

The Gabbs Project has an Inferred Mineral Resource of 1.84 million ounces of gold equivalent or 1.26 million ounces of gold and 422.3 million pounds of copper (73.1 million tonnes grading 0.54 g/t gold and 0.26% copper). See Tables 1 and 2 below.

Table 1: Gabbs Project Inferred Mineral Resource Estimate⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Tonnes (M)	Gold Grade (g/t)	Copper Grade (%)	Gold (M oz)	Copper (M lbs)	Gold Eq. Grade (g/t)	Gold Eq. (M oz)
73.1	0.54	0.26	1.26	422.3	0.79	1.84

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

- (2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- (3) The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (4) The Inferred Mineral Resource Estimate was prepared for a potential open pit scenario using a constraining pit shell (with 50 degree slopes) at respective 0.24 g/t and 0.30 g/t oxide and sulphide gold equivalent cut-off grades. The gold equivalent cut-off grades were derived from US\$1,600/oz gold, US\$3/lb copper, US\$2/tonne mining cost, US\$8 and \$12/tonne oxide and sulphide processing costs, US\$2/tonne G&A cost and 80% Au oxide and sulphide process recoveries and 90% Cu sulphide process recoveries. A zero process recovery for oxide Cu was used.

Table 2: Gabbs Project Inferred Mineral Resource Estimate by Zone⁽¹⁾⁽²⁾

Zone	Tonnes (M)	Gold Grade (g/t)	Copper Grade (%)	Gold (M oz)	Copper (M lbs)	Gold Eq. Grade (g/t)	Gold Eq. (M oz)
Sullivan	37.6	0.58	0.28	0.70	233.8	0.75	0.90
Lucky Strike	32.6	0.41	0.26	0.43	188.3	0.77	0.81
Car Body	2.8	1.39	0.00	0.13	0	1.39	0.13
Gold Ledge⁽³⁾	0.1	0.76	0.15	0	0	0.76	0
Total	73.1	0.53	0.26	1.26	422.3	0.79	1.84

- (1) See Notes 1 to 4 to Table 1 above.
- (2) Tables may differ and not sum due to rounding.
- (3) Gold Ledge Inferred Mineral Resource rounded to zero.

The Gabbs Project oxide Inferred Mineral Resource Estimate is 610,000 ounces of gold (26.2 million tonnes grading 0.72 g/t gold and assuming zero recovery for copper). See Table 3 below for a breakdown of the oxide and sulphide Inferred Mineral Resources.

Table 3: Gabbs Project Inferred Mineral Resource Estimate by Rock Group⁽¹⁾⁽²⁾

Rock Group	Tonnes (M)	Gold Grade (g/t)	Copper Grade (%)	Gold (M oz)	Copper (M lbs)	Gold Eq. Grade (g/t)	Gold Eq. (M oz)
Oxide⁽³⁾	26.2	0.72	0.25	0.61	143.3	0.72	0.61
Sulphide	46.9	0.43	0.27	0.65	279.2	0.82	1.24
Total	73.1	0.54	0.26	1.26	422.3	0.79	1.84

- (1) See Notes 1 to 4 to Table 1 above.
- (2) Tables may differ and not sum due to rounding.
- (3) Copper recovery in oxides assumed to be zero.

Gabbs Project Exploration Target and Potential

Based on historical drilling, the Gabbs Project has an Exploration Target of 0.90 million to 2.25 million ounces of gold (contained in 40 million to 70 million tonnes at an average grade of 0.7 to 1.0 g/t gold). No Exploration Target has been estimated for copper. The potential quantity and grade of this Exploration Target is conceptual in nature. There has been insufficient exploration to define it as a Mineral Resource and it is uncertain if further exploration will result in the target being delineated as a Mineral Resource.

Due to the limited systematic exploration completed to date, the Company believes the full potential of each of the known zones of mineralization at Gabbs has yet to be recognized. The mineralized zones have not been tested along strike or at depth, and of the 494 holes drilled at Gabbs between 1970 and 2011, 180 holes (36%) ended in mineralization. Also, a significant number of holes drilled prior to 2004 were, depending on the focus of the operator, assayed only for gold or only for copper, not both metals.

Following the closing of the acquisition, the Company plans to undertake a systematic exploration program for a large porphyry-related copper-gold system. Initial drilling will focus on the known zones of mineralization to expand and improve the confidence in these Mineral Resources.

Transaction Terms

Under the terms of an asset purchase agreement, P2 Gold has agreed (a) to pay US\$5 million and issue 15 million shares in its capital to Waterton at closing, and (b) to pay an additional US\$5 million to Waterton on the earlier of the announcement of the results of a Preliminary Economic Assessment and the 24 month anniversary of closing. Waterton will also reserve for itself a 2% net smelter returns royalty on production from the Gabbs Project, of which one percent may be repurchased at any time by P2 Gold for US\$1.5 million and the remaining one percent of which may be repurchased for US\$5 million. Following completion of the Transaction and the Private Placement (as defined below) Waterton will be an Insider of the Company.

For further details on the Gabbs Project acquisition please see www.p2gold.com/gabbs.

Private Placement

P2 Gold intends to complete a private placement of 32 million subscription receipts (the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$16 million (the "Private Placement"). If the Private Placement is brokered, the Company intends to pay the brokers a commission and grant the brokers an option to sell an additional 4.8 million Subscription Receipts at \$0.50 per Subscription Receipt. The Private Placement remains subject to approval of the Exchange.

The net proceeds of the Private Placement will be used by P2 Gold to fund the acquisition of the Gabbs Project and, following the closing of the Transaction, exploration of the Gabbs Project and for general corporate purposes. At the time the Transaction closes, each Subscription Receipt will be exchanged for one common share of the Company. If the Transaction has not closed by May 21, 2021 the Subscription Receipts will automatically be cancelled and all subscription proceeds will be returned to the subscribers.

The Subscription Receipts to be issued under the Private Placement and the common shares of the Company exchanged for the Subscription Receipts upon the closing of the Transaction will be subject to a hold period in Canada expiring four months and one day from the closing date of the Private Placement.

The securities to be offered in the Private Placement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Further details in respect of the Private Placement will be announced in a separate press release.

Qualified Persons

The Mineral Resource Estimate was prepared by Eugene Puritch, P.Eng. and F.H. Brown, P.Geo. of P&E Mining Consultants Inc. of Brampton, Ontario, Independent Qualified Persons (“QP”), as defined by National Instrument 43-101. Mr. Puritch has reviewed and approved the contents of this news release. Ken McNaughton, M.A.Sc., P.Eng., Chief Exploration Officer, P2 Gold, is the QP responsible for the Gabbs Project exploration program.

About P2 Gold Inc.

P2 is a mineral exploration and development company focused on advancing precious metals discoveries and acquisitions in the western United States and British Columbia.

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Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Information

This press release contains “forward-looking information” within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. “Forward-looking information” includes statements that use forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “believe”, “continue”, “potential” or the negative thereof or other variations thereof or comparable terminology. Such forward-looking information includes, without limitation, information with respect to the Company’s expectations, strategies and plans for the Gabbs Project including the Company’s planned expenditures and exploration activities and the proposed Private Placement.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results,

performance or achievements expressed or implied by such forward-looking information. See “Risk Factors” in the Company’s annual information form dated October 21, 2020 filed on SEDAR at www.sedar.com for a discussion of these risks.

The Company cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information.

Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this press release to reflect events or circumstances after the date hereof.